

OPEN MEETING ITEM



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COMMISSIONERS
SUSAN BITTER SMITH - Chairman
BOB STUMP
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DOUG LITTLE
TOM FORESE



ARIZONA CORPORATION COMMISSION

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DATE: AUGUST 3, 2015

AZ CORP COMMISSION
DOCKET CONTROL

DOCKET NO.: W-01445A-12-0424

TO ALL PARTIES:

ORIGINAL

Enclosed please find the recommendation of Administrative Law Judge Sarah Harpring. The recommendation has been filed in the form of an Order on:

ARIZONA WATER COMPANY
(ORDER EXTENDING TIME DEADLINE IN DECISION NO. 73780)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

AUGUST 12, 2015

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

AUGUST 18, 2015 and AUGUST 19, 2015

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission

DOCKETED

AUG 03 2015

DOCKETED BY	
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JODI JERICH
EXECUTIVE DIRECTOR

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This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SABernal@azcc.gov.

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 SUSAN BITTER SMITH - Chairman
4 BOB STUMP
5 BOB BURNS
6 DOUG LITTLE
7 TOM FORESE

8 IN THE MATTER OF THE APPLICATION OF
9 ARIZONA WATER COMPANY FOR APPROVAL
10 TO EXTEND ITS CERTIFICATE OF
11 CONVENIENCE AND NECESSITY FOR ITS
12 PINAL VALLEY WATER SYSTEM.

DOCKET NO. W-01445A-12-0424

DECISION NO. _____

ORDER EXTENDING TIME
DEADLINE IN DECISION NO. 73780

13 Open Meeting
14 August 18 and 19, 2015
15 Phoenix, Arizona

16 **BY THE COMMISSION:**

17 * * * * *

18 Having considered the entire record herein and being fully advised in the premises, the
19 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

20 **FINDINGS OF FACT**

21 1. On March 21, 2013, the Commission issued Decision No. 73780, approving the
22 extension of Arizona Water Company's ("AWC's") Certificate of Convenience and Necessity
23 ("CC&N") for its Pinal Valley system to include an area located within the municipal boundaries of
24 the City of Casa Grande, owned by a single landowner, and proposed to be used for a development to
25 be known as Copper Mountain Ranch.

26 2. In the Decision, AWC was granted the CC&N extension, subject to the following
27 compliance items:

28 (a) AWC was required to file with the Commission's Docket Control, within two
years after the effective date of the Decision, a copy of the Arizona Department of Environmental
Quality ("ADEQ") Approval to Construct ("ATC") for the facilities needed to serve the first parcel of
the proposed Copper Mountain Ranch development; and

1 (b) AWC was required to file with the Commission's Docket Control, within two
2 years after the effective date of the Decision, "a copy of the developer's Certificate of Assured Water
3 Supply for Phase 1 of the Copper Mountain Ranch development" ("CAWS").

4 3. On December 31, 2014, AWC filed an Application for Additional Time for
5 Compliance Filing ("Application"), with which AWC included a copy of an ATC issued by ADEQ
6 on December 11, 2014, for the facilities needed to serve the CC&N extension area (referenced as
7 "Copper Mountain-Phase One"). AWC also included a December 2, 2014, letter from the landowner,
8 ANCCC LLC, stating that the landowner still needs and desires to receive water service for its
9 property from AWC. The landowner also stated that development will commence "within the earliest
10 possible time, considering current market conditions, perhaps within the next twenty-four months."

11 4. In the Application, AWC requested a two-year extension of the deadline to file the
12 CAWS, from March 21, 2015, to March 21, 2017, and suggested that the Commission accept an
13 AAWS as an alternative to the CAWS. According to AWC, the recent recession and real estate crash
14 continues to delay development of residential and mixed use properties in Arizona and Pinal County,
15 and granting an extension of the deadline to file the CAWS will help the CC&N extension area and
16 the landowner. AWC asserted that the landowner will not be able to apply for a CAWS unless a
17 deadline extension is granted because the Arizona Department of Water Resources ("ADWR") will
18 not issue a CAWS for a property that is not located within a CC&N. AWC also stated that the
19 landowner applied to ADWR for an Analysis of Assured Water Supply ("AAWS") on May 20, 2014,
20 and expected to receive the AAWS in mid-2015.

21 5. On July 28, 2015, the Commission's Utilities Division ("Staff") filed a Memorandum
22 stating that Staff has no objection to the requested extension and recommending that the due date to
23 file the CAWS be extended to March 21, 2017, and that no further extensions of time be granted in
24 this matter. Staff also stated that AWC has satisfied the other compliance item required by Decision
25 No. 73780, by filing the ATC, and that an AAWS will not substitute for the CAWS required by the
26 Commission.

27 6. The Commission has previously granted extensions of CC&N compliance filing
28 deadlines requested due to the recent recession and its severe impacts on the housing market and

1 associated development.¹ When faced with such extension requests, the Commission has considered,
 2 among other things, whether the utility's request for an extension was made in a timely manner and
 3 demonstrated a continuing need for service in the CC&N area.²

4 7. In this case, AWC filed its Application well before the deadline to file the CAWS
 5 established by Decision No. 73780.³ Through the landowner's letter, AWC has also demonstrated a
 6 continuing need and desire for service in the extension area to be provided by AWC. In light of these
 7 considerations, along with recognition of the well-publicized economic downturn in the Arizona
 8 housing market in recent years, it is reasonable and appropriate to extend the deadline for AWC to
 9 file the CAWS.

10 8. Further, although we are not adopting Staff's recommendation that no further time
 11 extensions be granted for compliance with Decision No. 73780, we will put AWC on notice that any
 12 future requests for an extension of time to comply with the Decision must demonstrate the existence
 13 of compelling circumstances warranting additional time.

14 CONCLUSIONS OF LAW

15 1. AWC is a public service corporation within the meaning of Article XV of the Arizona
 16 Constitution and A.R.S. §§ 40-281 and 40-282.

17 2. The Commission has jurisdiction over AWC and the subject matter of the Application.

18 3. It is reasonable and appropriate and in the public interest to grant AWC an extension
 19 of time to comply with the CAWS-filing requirement of Decision No. 73780.

20 ORDER

21 IT IS THEREFORE ORDERED that Arizona Water Company is hereby granted an extension
 22 of time, until March 21, 2017, to comply with Decision No. 73780 by filing a copy of the developer's
 23 Certificate of Assured Water Supply for Phase 1 of the Copper Mountain Ranch development.

24 ...

25 ...

26 ...

27 ¹ See, e.g., Decision No. 74980 (March 16, 2015).

28 ² See id.

³ AWC's Application was filed 80 days before the compliance deadline.

1 IT IS FURTHER ORDERED that Arizona Water Company is hereby put on notice that no
2 additional extensions of time shall be granted in this matter absent a timely application demonstrating
3 the existence of compelling circumstances warranting additional time.

4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

6
7
8 CHAIRMAN _____ COMMISSIONER _____

9
10 COMMISSIONER _____ COMMISSIONER _____ COMMISSIONER _____

11
12 IN WITNESS WHEREOF, I, JODI JERICH, Executive
13 Director of the Arizona Corporation Commission, have
14 hereunto set my hand and caused the official seal of the
Commission to be affixed at the Capitol, in the City of Phoenix,
this _____ day of _____ 2015.

15
16 JODI JERICH _____
17 EXECUTIVE DIRECTOR

18 DISSENT _____

19
20 DISSENT _____
21 SH:tv

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1 SERVICE LIST FOR: ARIZONA WATER COMPANY

2 DOCKET NO.: W-01445A-12-0424

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